

## Senate Bill No. 685

### CHAPTER 474

An act to amend Sections 142001, 142050, 142052, 142200, 142201, 142250, 142251, 142254, 142257, 142258, and 142260 of, to repeal Section 142110 of, and to repeal and add Sections 142255, 142256, 142259, and 142263 of, the Public Utilities Code, and to add and repeal Section 7252.10 of the Revenue and Taxation Code, relating to transportation.

[Approved by Governor October 3, 2001. Filed with  
Secretary of State October 4, 2001.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 685, Costa. Fresno County Transportation Authority.

The Fresno Transportation Improvement Act provides for the establishment of the Fresno County Transportation Authority with a specified membership. Upon approval of a specified proposition by a majority vote of Fresno County voters, the authority would be authorized to impose a  $\frac{1}{2}\%$  retail transactions and use tax for up to 20 years to finance highway improvements and for local transportation purposes in Fresno County, with priority given to specified state highways. The authority would terminate 2 years after the tax is last collected and existing law would be repealed at that time.

This bill would revise that act to continue the Fresno County Transportation Authority. Upon approval of a specified proposition by the Fresno voters, by a  $\frac{2}{3}$  vote, the authority would be authorized to impose a  $\frac{1}{2}\%$  retail transactions and use tax for up to 30 years to finance regional transportation improvements.

The bill would require the transportation planning agency to prepare a county transportation expenditure plan regarding the expenditure of the revenues expected to be derived, but that plan would not be adopted by the authority until it has been approved by the board of supervisors and the appropriate city councils. The bill would require the transportation planning agency to review the plan biennially and assess the needs for transportation improvements and would authorize the transportation planning agency to amend the plan, as specified. Because the bill would require the transportation planning agency, the Council of Fresno County Governments, to prepare and review a county transportation expenditure plan that specifies the amount and formula by which the retail transactions and use tax would be allocated, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. Section 142001 of the Public Utilities Code is amended to read:

142001. The Legislature hereby finds and declares all of the following:

(a) In Fresno County, regional transportation improvements and local transportation improvements and services are an immediate high priority needed to resolve the county's transportation problems that threaten the economic viability and development potential of the county and adversely impact the quality of life therein.

(b) In order to deal in an expeditious manner with current and future transportation problems, the county needs to develop and implement a local funding program that goes significantly beyond current federal and state funding which is inadequate to resolve these problems.

(c) It is in the public interest to allow the voters of Fresno County to continue the Fresno County Transportation Authority so that local transportation decisions can be implemented in a timely manner to provide regional transportation improvements and to meet local transportation needs.

SEC. 2. Section 142050 of the Public Utilities Code is amended to read:

142050. The Fresno County Transportation Authority is hereby continued in the county, as originally created by this section.

SEC. 3. Section 142052 of the Public Utilities Code is amended to read:

142052. (a) Except for the Mayor of the City of Fresno, the members of the authority shall serve for a term of two years.

(b) If any member other than the public member ceases to be an elected official, that member shall cease to be a member of the authority, and another member shall be appointed for the remainder of the term pursuant to Section 142051.

SEC. 4. Section 142110 of the Public Utilities Code is repealed.

SEC. 5. Section 142200 of the Public Utilities Code is amended to read:



142200. The authority shall consult with, and coordinate its actions to secure funding for the completion and improvement of the priority regional transportation improvements with the cities in the county, the board of supervisors, the Council of Fresno County Governments, and the Department of Transportation for the purpose of integrating its planned improvements with the other transportation improvement plans and operations of other transportation agencies impacting the county.

SEC. 6. Section 142201 of the Public Utilities Code is amended to read:

142201. The authority shall prepare and adopt an annual report each year on progress made to achieve the objective of improving transportation conditions related to priority regional transportation improvements and other local transportation needs.

SEC. 7. Section 142250 of the Public Utilities Code is amended to read:

142250. (a) A retail transactions and use tax ordinance, applicable in the incorporated and unincorporated territory of the county may be imposed by the authority in accordance with Section 142262 of this code and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, if two-thirds of the electors voting on the measure vote to approve the imposition of the tax at an election which shall be called for that purpose by resolution of the board of supervisors.

(b) The election shall be held in the November 2002 or a subsequent general election.

(c) The tax ordinance shall become operative as set forth in Section 142253. The tax ordinance shall specify the period, not to exceed 30 years, during which the tax is to be imposed. The tax may be terminated earlier if the conditions of Sections 142255, 142256, 142257, and 142260 have been met.

SEC. 8. Section 142251 of the Public Utilities Code is amended to read:

142251. The authority, in the retail transactions and use tax ordinance, shall state the nature of the tax to be imposed, shall provide the tax rate or rates or the maximum tax rate or rates, shall specify the purposes for which the revenue derived from the tax will be used, and may set a term, not to exceed 30 years, during which the tax may be imposed.

SEC. 9. Section 142254 of the Public Utilities Code is amended to read:

142254. The revenues from the retail transactions and use taxes imposed pursuant to this chapter may be allocated by the authority for the administration of this division and for transportation improvement purposes, including administration of this division, legal actions related



thereto, planning, environmental reviews, design, construction, and repair.

SEC. 10. Section 142255 of the Public Utilities Code is repealed.

SEC. 11. Section 142255 is added to the Public Utilities Code, to read:

142255. A county transportation expenditure plan shall be prepared by the transportation planning agency for the expenditure of the revenues expected to be derived from the tax imposed pursuant to this chapter, together with other federal, state, and local funds expected to be available for transportation improvements, for the period during which the tax is to be imposed.

SEC. 12. Section 142256 of the Public Utilities Code is repealed.

SEC. 13. Section 142256 is added to the Public Utilities Code, to read:

142256. (a) A county transportation expenditure plan shall not be adopted by the authority until it has received the approval of the board of supervisors and of the city councils representing both a majority of the cities in the county and a majority of the population residing in the incorporated areas of the county.

(b) The plan shall be adopted prior to the call of the election provided for in Section 142250.

SEC. 14. Section 142257 of the Public Utilities Code is amended to read:

142257. (a) The expenditure plan shall specify the amount and the formula by which the retail transactions and use tax shall be allocated to each city and the county for local transportation purposes determined to be priority projects by local governments to which funds are allocated.

For purposes of this subdivision, the population of the county is the population of the unincorporated area of the county.

(b) Prior to the authority allocating funds, each local government shall certify to the authority that the funds will not be substituted for property tax funds which are currently utilized to fund existing local transportation programs. If the local government is unable to segregate property tax revenues from other general fund revenues which cannot be so distinguished, substitution of funds from the authority for general funds is also prohibited.

(c) The authority shall require that local governments to which funds are allocated to separately account for those funds and maintain records of expenditures in accordance with administrative code requirements adopted by the authority.

SEC. 15. Section 142258 of the Public Utilities Code is amended to read:



142258. (a) Except as otherwise provided by Section 142260, the transportation planning agency may amend the expenditure plan. The transportation planning agency, at a minimum, shall review biennially and assess the needs for transportation improvements contained in the expenditure plan as specified in Section 142255. As part of this review and assessment, the transportation planning agency may solicit proposals for transportation improvements from the Department of Transportation and the cities and the county. The transportation planning agency shall adopt a procedure for evaluating these proposals in consultation with the Department of Transportation and the cities and the county.

(b) Based on the evaluation, the transportation planning agency shall prepare an updated plan for the expenditure of the revenues expected to be derived from the retail transactions and use tax imposed pursuant to this chapter, together with other federal, state, and local improvements, for the period during which the tax is imposed. The first five years of the plan shall be incorporated into the transportation planning agency's annual submission to the California Transportation Commission for the state transportation improvement program pursuant to Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7 of the Government Code.

(c) The expenditure plan shall also include projections of revenues likely to be available from other federal, state, and local funds expected to be available for expenditure plan transportation improvements for the period during which the tax is imposed.

(d) Before adoption of an expenditure plan, the transportation planning agency shall conduct public hearings on the plan.

SEC. 16. Section 142259 of the Public Utilities Code is repealed.

SEC. 17. Section 142259 is added to the Public Utilities Code, to read:

142259. Amendments to the expenditure plan adopted pursuant to Section 142255 are to provide for the use of additional federal, state, and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances. The transportation planning agency shall take all appropriate actions to give highest priority to the projects in the initial expenditure plan, and any amendments shall not delay or delete any project in the initial plan without the transportation planning agency holding a public hearing and documenting within the plan the reason why the amendments are being recommended to the authority and are necessary relative to conditions beyond control of the authority.

SEC. 18. Section 142260 of the Public Utilities Code is amended to read:



142260. (a) The authority may, by the affirmative vote of a majority of the members, approve, or approve subject to amendment, the updated expenditure plan adopted pursuant to Section 142258. The authority shall take all appropriate actions to give highest priority to the projects in the initial expenditure plan, and any amendments shall not delay or delete any project in the initial plan without the authority holding a public hearing and adopting a resolution specifically detailing the reason why the amendments are necessary relative to conditions beyond control of the authority.

(b) The authority shall notify the transportation planning agency, the board of supervisors, and the city council of each city in the county and provide them with a copy of the proposed amendments.

(c) The proposed amendments shall become effective 45 days after notice is given pursuant to subdivision (b). A public hearing shall be held on the proposed amendments prior to final adoption if any city or the county objects to the amendment in writing within 30 days of receiving the notice.

SEC. 19. Section 142263 of the Public Utilities Code is repealed.

SEC. 20. Section 142263 is added to the Public Utilities Code, to read:

142263. (a) The board of supervisors, as part of the ballot proposition to approve the imposition of a retail transactions and use tax, shall seek authorization from the electors to issue bonds payable solely from the proceeds of the tax.

(b) The maximum bonded indebtedness which may be authorized shall be an amount equal to the sum of the principal and interest on the bonds, not to exceed the estimated proceeds of the tax, for a period of not more than 30 years. The actual wording of the proposition on any short form of ballot card, label, or other device, regardless of the system of voting used, shall read as follows:



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| <p>FRESNO COUNTY TRANSPORTATION<br/>MEASURE</p> <p>Shall Fresno County voters authorize an extension of up to 30 years of the current one-half percent sales tax to be used in accordance with the Expenditure Plan adopted by the authority to provide countywide transportation improvement which would contribute to increased mobility, less traffic congestion, improved air quality, and increased safety? The authority is authorized to issue bonds payable from the proceeds of that tax and establishes the appropriations limit of the authority in the amount of ____ dollars (\$____).</p> | YES |  |
|   | NO  |  |

SEC. 21. Section 7252.10 is added to the Revenue and Taxation Code, to read:

7252.10. “District,” as used in this part, also means the Fresno County Transportation Authority, if authorized to impose transactions and use taxes pursuant to this part. This section shall remain in effect as long as Division 15 (commencing with Section 142000) of the Public Utilities Code remains in effect, but shall be repealed upon the repeal of that division.

SEC. 22. If any provision of this act or the application thereof to any circumstances is held unconstitutional, that decision shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application and to this end, the provisions of this act are severable. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional.

SEC. 23. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district are the result of a program for which legislative authority was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution.

